VZCZCXRO2098 PP RUEHBI RUEHCI DE RUEHNE #2061/01 0831316 ZNY CCCCC ZZH P 241316Z MAR 06 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC PRIORITY 1739 INFO RUEHBJ/AMEMBASSY BEIJING 1094 RUEHLM/AMEMBASSY COLOMBO 4279 RUEHKA/AMEMBASSY DHAKA 4314 RUEHIL/AMEMBASSY ISLAMABAD 7220 RUEHBUL/AMEMBASSY KABUL 2518 RUEHKT/AMEMBASSY KATHMANDU 4965 RUEHLO/AMEMBASSY LONDON 9021 RUEHMO/AMEMBASSY MOSCOW 7486 RUEHKO/AMEMBASSY TOKYO 2958 RUEHCI/AMCONSUL CALCUTTA 2672 RUEHCG/AMCONSUL CHENNAI 2529 RUEHBI/AMCONSUL MUMBAI 1765 RUCNDT/USMISSION USUN NEW YORK 9827 RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUEHGV/USMISSION GENEVA 2067 RUCPDOC/DEPT OF COMMERCE WASHDC RHHJJPI/PACOM IDHS HONOLULU HI RHMFISS/HQ USSOCOM MACDILL AFB FL RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEKJCS/SECDEF WASHDC RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 002061

SIPDIS

SIPDIS

E.O. 12958: DECL: 03/24/2016

TAGS: PINR IN

SUBJECT: UPDATE ON DEVELOPMENTS SURROUNDING SONIA GANDHI'S

RESIGNATION FROM PARLIAMENT

REF: NEW DELHI 2021

NEW DELHI 00002061 001.3 OF 003

Classified By: DCM Bob Blake Jr., Reason 1.5 (B,D)

 $\P 1.$ (C) Summary: One day after Sonia Gandhi's surprise resignation of her Parliamentary seat, she retains the moral high ground and appears to have enhanced her stature. Press accounts relate that a coterie of Congress insiders engineered a scheme to protect Sonia Gandhi that went awry. Although Congress had said repeatedly that Ms. Gandhi's position as head of the National Advisory Commission was not a "position of profit," they oddly determined that they needed to amend the (Prevention of Disqualification) Act of 1959 to save her from possibly losing her Parliamentary seat and spare her from opposition attacks. They purportedly used the March 23 Parliamentary disarray to adjourn Parliament and expected to then quietly amend the Act through an ordinance while the house was not in session and present the opposition with a fait accompli. Everything unraveled when almost all political parties, including those within the UPA alliance, condemned the adjournment and ordinance proposal. It was purportedly Ms. Gandhi's individual decision to turn the tables on her enemies by resigning her posts. Although many expected other MPs facing possible disqualification to also resign, only two Congress MPs have tendered their resignations so far and the Communists have ruled out any resignations by their MPs. It now appears that Gandhi has gained the moral high ground and increased her political stature and that Congress has quietly dropped the ill-advised ordinance idea. Instead, the UPA has promised to reconvene Parliament on May 10 and Congress will likely then introduce a bill to revise the Act. Such a move is long overdue as no one has changed it since 1959. Congress insiders say that as soon as the Act is amended, Ms. Gandhi will quietly resume her position as NAC head. End Summary.

More Technical Details

- 12. (U) Although it is now all but certain that the UPA will not submit an ordinance to redefine "offices of profit under the (Prevention of Disqualification) Act of 1959 (Reftel), press reports revealed more details of the plan that went awry. The proposed ordinance would have added 62 new posts to the 1959 list of those positions that MPs can hold without facing disqualification. One of the added posts would have been Chair of the National Advisory Commission (NAC), the post held by Ms. Gandhi until her March 23 resignation.
- 13. (U) Gandhi's advisors purportedly expected a riotous reception when they introduced the ordinance proposal that would then allow the UPA to adjourn Parliament. In the Indian political system, ordinances are defined as extraordinary measures that can be used to deal with matters of urgency when Parliament is not in session. Press accounts accuse Ms. Gandhi's advisors engineering the adjournment to allow easy promulgation of an ordinance and bypassing the need to propose a bill. The misguided advisors supposedly believed that all parties except the SP and BJP would go along. Instead, almost every political party in the country condemned the ordinance proposal and the adjournment, and the plan quickly came unraveled.
- 14. (U) In her March 23 statements to reporters, Ms. Gandhi refused to comment on whether she was in favor or opposed to the ordinance proposal. Her handlers were clearly embarrassed, however, as they could not explain why she was

NEW DELHI 00002061 002.3 OF 003

resigning from her post as NAC head and from Parliament, when Congress had insisted all along that it was not an "office of profit" and did not fall within the purview of the Act. Congress sources also stopped mentioning the ordinance proposal and stopped discussing the reasoning behind the UPA's adjournment of Parliament.

Sonia Gandhi Intervenes

15. (U) Well-sourced insider accounts agree that Ms. Gandhi was never in favor of the ordinance proposal and pulled the plug on the plan when she unilaterally (after conferring with senior Congress leaders, as well as her children Rahul and Priyanka) decided to resign her positions. PM Singh was at no time involved in the deliberations. The quick decision apparently caught many within Congress totally by surprise and they were forced to scramble quickly to issue declarations of support and undying loyalty to their leader. In a March 23 statement to reporters, PM Singh described Sonia Gandhi as "the tallest leader," with "a rare commitment to moral values." The Prime Minister refused to confirm that the ordinance was off the table, saying instead that "there is no explicit decision as of now. We have not considered the ordinance. All options are open." Congress spokesman Abhishek Singhvi remarked breathlessly that "She heard her inner voice and did what she felt was the best decision. It's an indication of her moral strength."

Some Congress MPs Resign

16. (U) Gandhi's resignation touched-off considerable speculation that many other MPs from a wide variety of parties who also hold offices that could lead to their disqualification would join her. This did not happen. By the afternoon of March 24, only two Congress MPs, Dr. Karan Singh and Gurudas Kamat had submitted their resignations.

- 17. (U) No one expected the BJP MPs to resign. The opposition party quickly derided Ms. Gandhi's move as "grandstanding." BJP General Secretary Arun Jaitley told reporters on March 23 that Gandhi's resignations were "a desperate attempt to save her face after being caught red handed trying to subvert the Constitution and Parliament. The politics of revenge has recoiled back and Sonia Gandhi has become a victim of her own conspiracy." The BJP's Deputy Leader in the Lok Sabha, VK Malhotra was one of those accused of holding an "office of profit," but his party's categorical statements ruled out any possibility that he would resign. Likewise, the Samajwadi Party, the original target of the Congress attack, surprised no one when it stated that none of its MPs would resign.
- 18. (U) However many observers were surprised when CPI(M) General Secretary Prakash Karat confirmed that no MPs from the left front would resign. With 10 MPs under suspicion of holding offices of profit, including Lok Sabha Speaker Somnath Chatterjee, the CPI(M) has more MPs potentially eligible for disqualification than any other party. The Communists also disavowed the ordinance proposal, saying that the (Prevention of Disqualification) Act of 1959 should be updated and amendment, but it should be done by Parliament.

NEW DELHI 00002061 003.3 OF 003

Checkmating the Opposition

19. (U) Most commentators praised Gandhi's astuteness, saying that the resignations took the wind out of the sails of the opposition's campaign. Press accounts agree that there is significant popular support for Ms. Gandhi and that she and her party will benefit from the move. It seemed clear by March 24 that the BJP's vitriolic attacks on Ms. Gandhi were not well-received, as her political stature increased and she appeared to occupy the moral high ground. Commentators asserted that it will now be very difficult to mount further personal attacks, and the opposition strategy of isolating Congress now appeared dead.

Where Do We Go From Here?

- 110. (C) The evolving consensus seems to be that with Ms. Gandhi no longer an issue, attention will now shift to Parliament. Parliamentary Affairs Minister Priya Ranjan Das confirmed on March 23 that Parliament will reconvene on or around May 10. Most agree that the ordinance option is now out of play. Now that the Communists have fully-endorsed a Parliamentary session to revise the Act, Congress is likely to go along and introduce a bill to exempt many new offices from disqualification. In and of itself, the Act is an obscure bit of Parliamentary minutiae that has little or no political significance. Written in 1959, it has not been updated since. In the intervening years, many new offices (such as that of NAC head) have been created, which genuinely are not "offices of profit." The act was so obscure that few paid it much attention. It was only when Congress attempted to use the Act against the SP that it turned into a political football. Parliament can easily rob the Act of its political power by quietly updating the list and passing a new bill when it reconvenes in May. Insiders say that the UPA plans not to fill the position of NAC Chair so that Ms. Gandhi can reclaim after the Act has been suitably amended.
- 11. (U) Visit New Delhi's Classified Website:
 (http://www.state.sgov.gov/p/sa/newdelhi/)
 MULFORD